



**CENTURY PROPERTIES GROUP, INC.**  
**Analysts Presentation: Q3 2013 Results**  
**15 November 2013**



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Representative examples of these factors and assumptions include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, availability of real estate properties, competition from other companies and venues for sale of projects, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes and continued availability of financing in the amounts and the terms necessary to support future business.



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WHO WE ARE

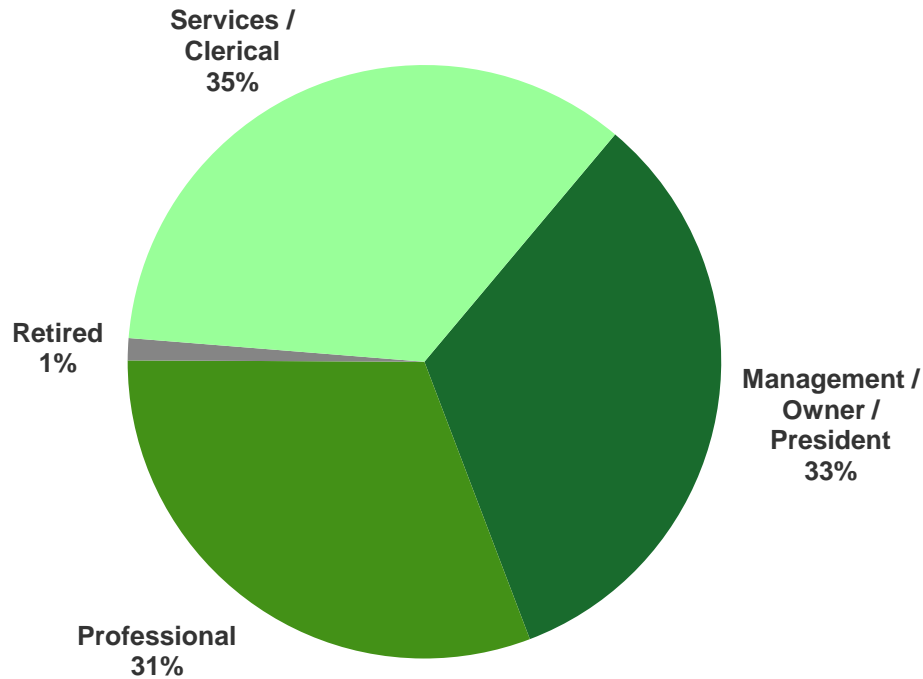
# CPG's TARGET MARKETS



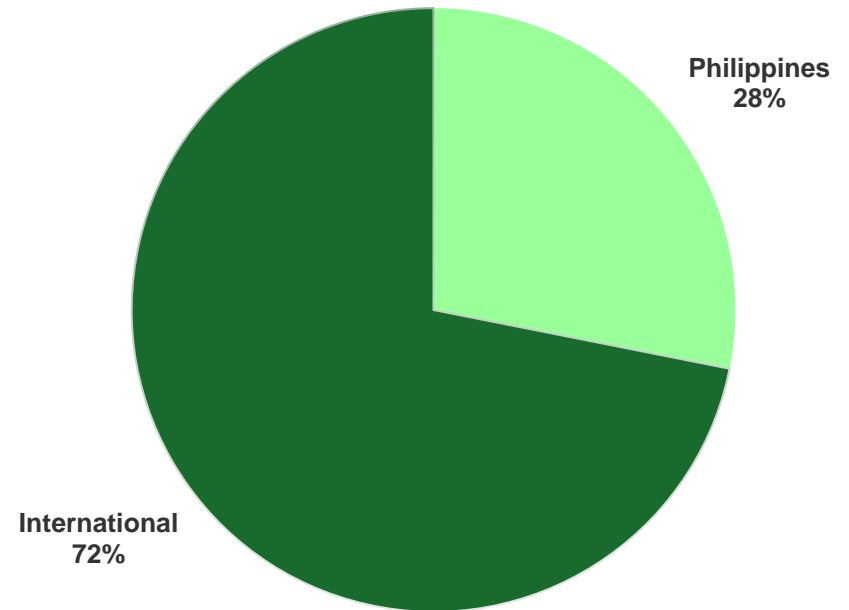
	Colliers' Price Points	CPG's Price Points
Economic	Below P2.0M	-NA-
Affordable	P2.0M to P2.99M	P2.0M to P3.49M
Middle Income	P3.0M to P6.9M	P3.5M to P6.9M
Luxury	P7.0M and above	P7.0M and above

# CPG's TARGET MARKET

**DEMOGRAPHICS BY MARKET**  
(As of Sep 2013)



**SOURCE OF SALES BY MARKET**  
(YTD Sep 2013)



- (1) Management includes vice presidents, managers, and owners
- (2) Professional includes accountants, analysts, associates, lawyers, architects, consultants, engineers
- (3) Clerical includes technicians, administrative assistants. Services include health care workers, caregivers and other service providers

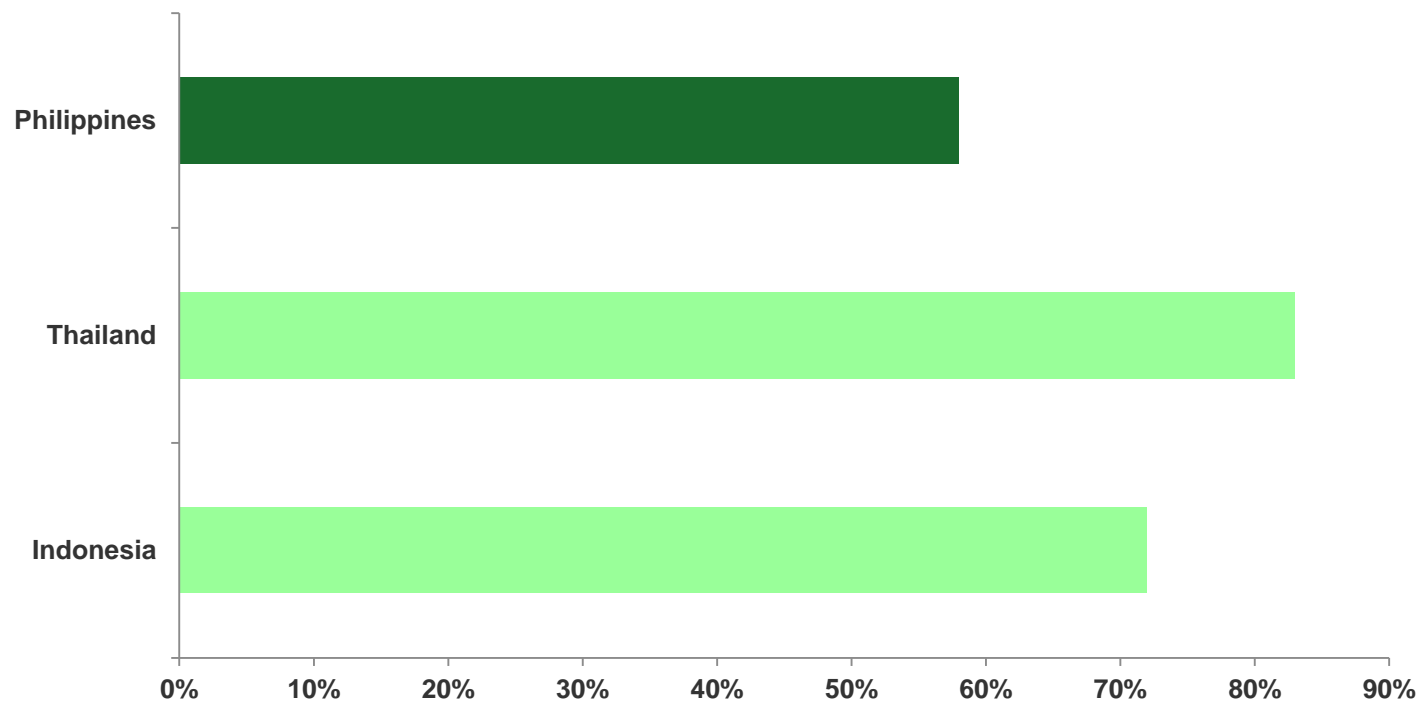
# REAL ESTATE MARKET OVERVIEW



**Philippine home-ownership is lagging behind regional peers.**

## Comparative Home Ownership Rates

% of population living in owned homes



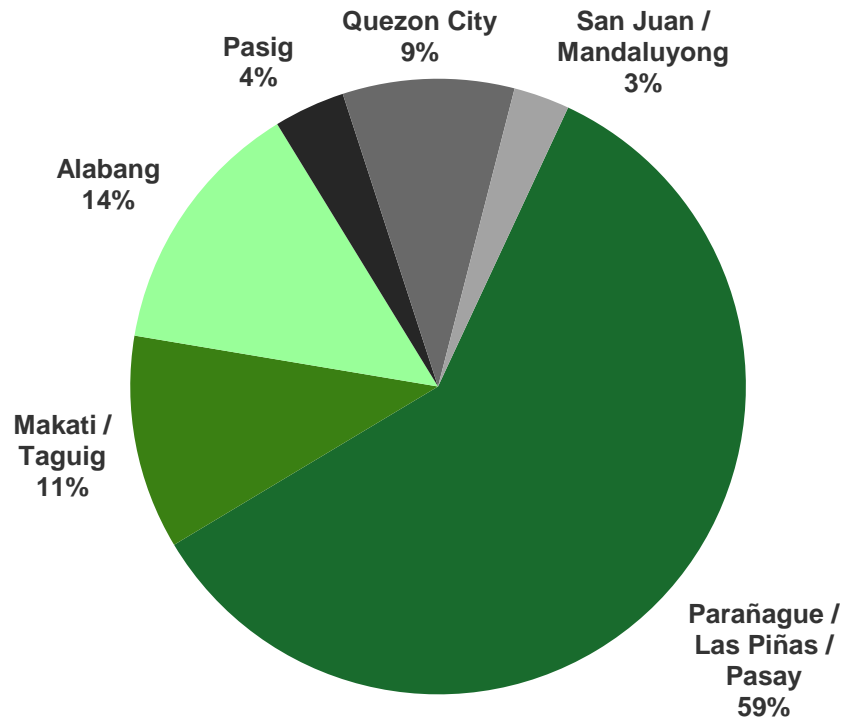
Source: Government statistics

# REAL ESTATE MARKET OVERVIEW



*Fixed supply of gated communities have driven up pricing, and requires buyers to seek alternative forms of housing.*

## 45,157 Village Houses By Location (Metro Manila)



Source: Jones Lang Lasalle as of Q2 2013



# REAL ESTATE MARKET OVERVIEW



~10% of Philippines population are OFWs who earns up to 3.2x Metro Manila salaries.

Deployment continues, and OFWs choose Metro Manila as their preferred location for housing.

## Domestic housing more affordable for OFWs with higher incomes

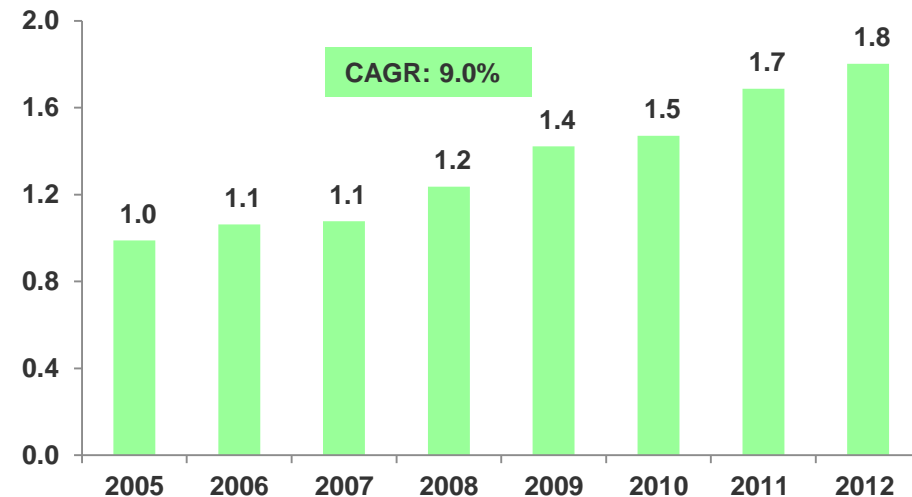
2010 Average monthly income by jurisdiction (Php '000)



Source: Philippine Overseas Employment Administration (POEA)  
 Note: (1) Metro Manila average monthly income based on 2009 data

## Steadily increasing deployment

Deployed OFWs, New Hires & Rehires (Millions)

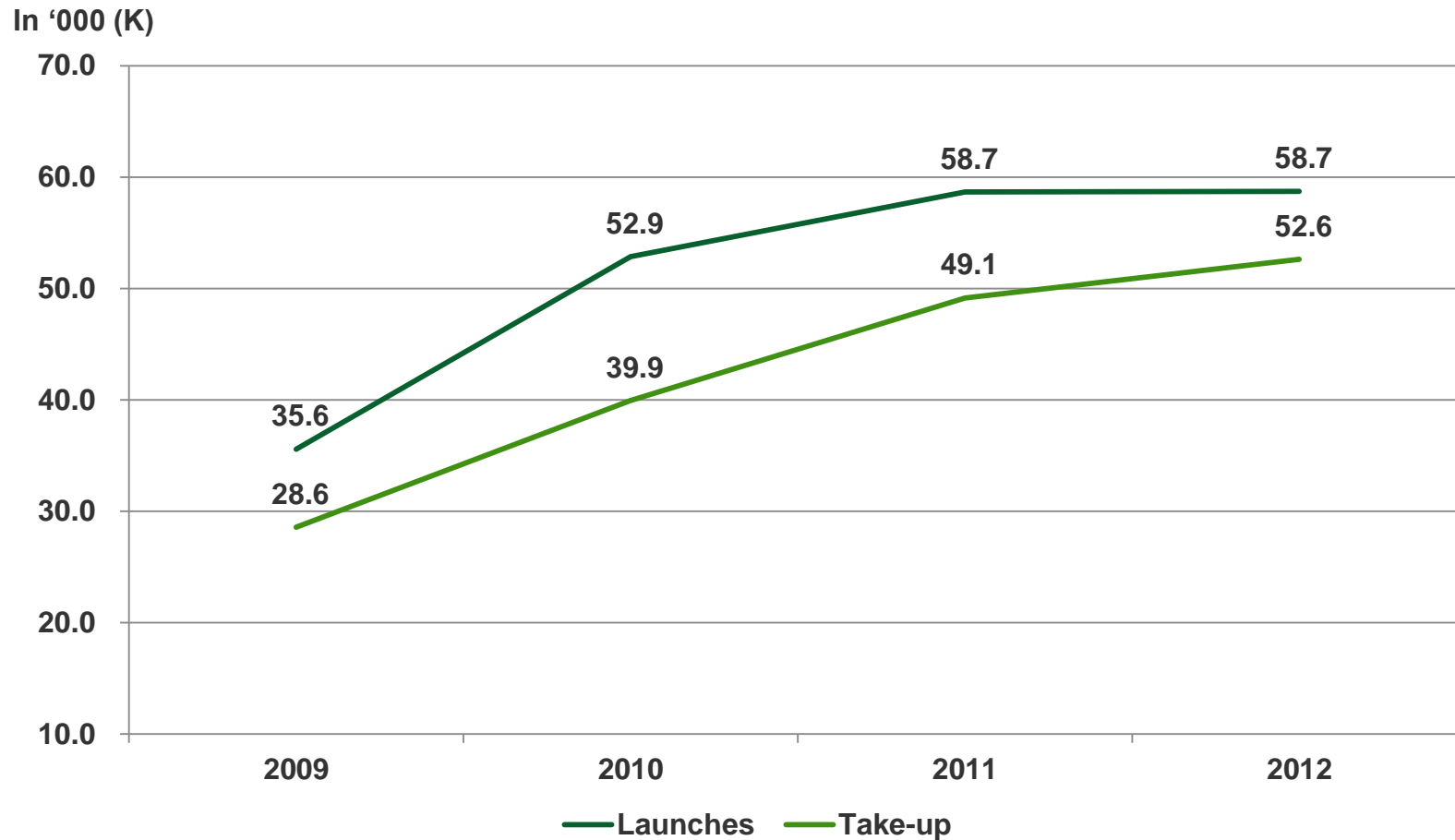


Source: Philippine Overseas Employment Administration (POEA)

# REAL ESTATE MARKET OVERVIEW



**Despite increased supply (206K since 2009 units with average of 51.5K units), take up has increased as well (170K units since 2009 with average of 42.5K units)**

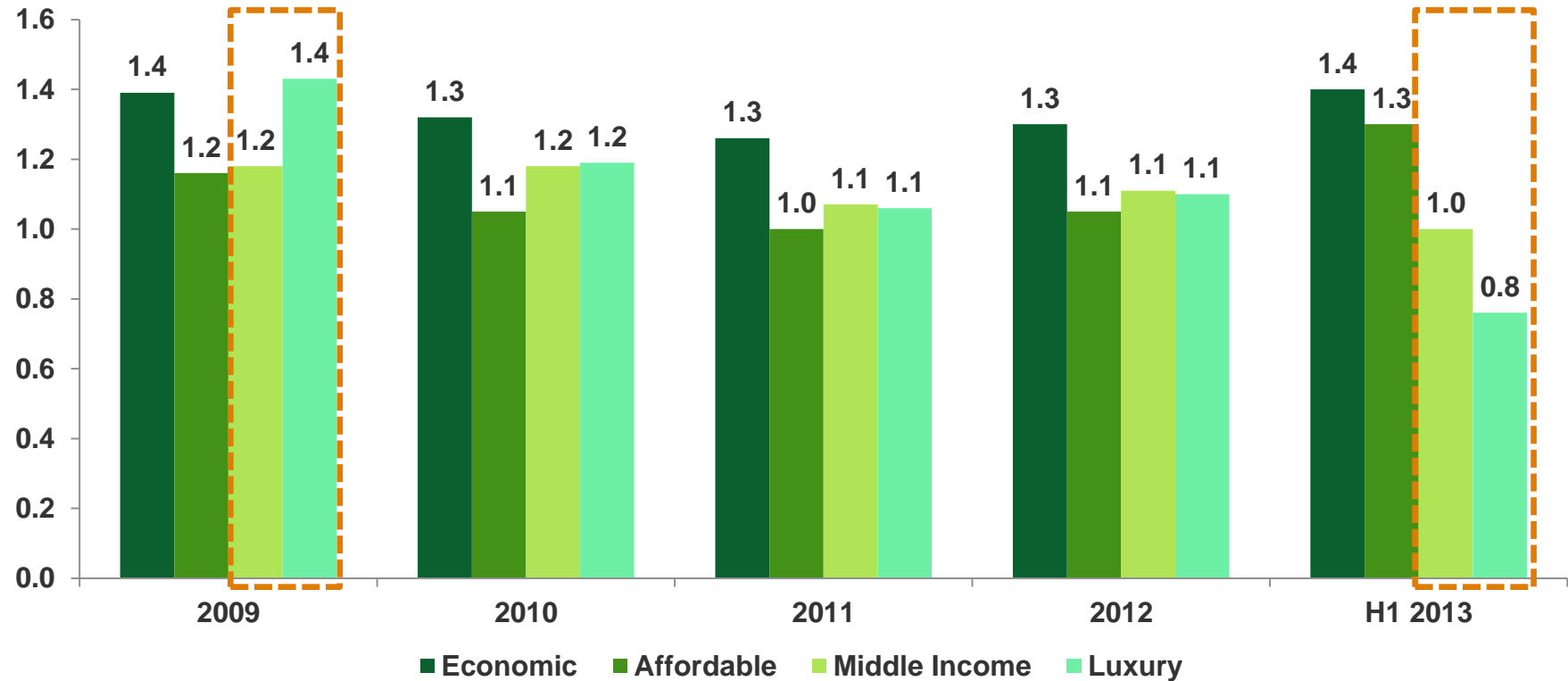


Source: Colliers International as of Q2 2013

# REAL ESTATE MARKET OVERVIEW

**Market has not “loosened” since 2009. In fact, in Middle Income and Luxury markets have “tightened” as Remaining Inventory Life\* has decreased as of H1 2013.**

Remaining Inventory Life (in # of Years)



\* Remaining Inventory Life defined as Total Inventory in the Metro Manila (excluding land bank / un-launched projects), divided by average yearly sales.

Source: Colliers International as of Q2 2013



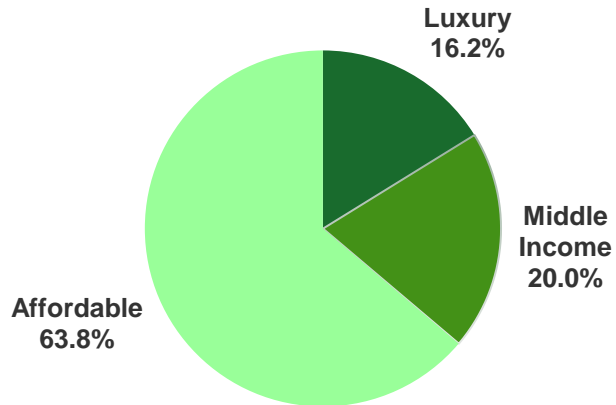
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WHAT WE DO

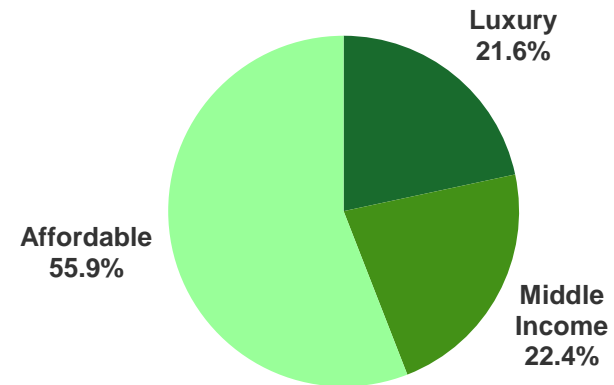
# PRE-SALES

## Industry Leading International Platform and Balanced Product Mix

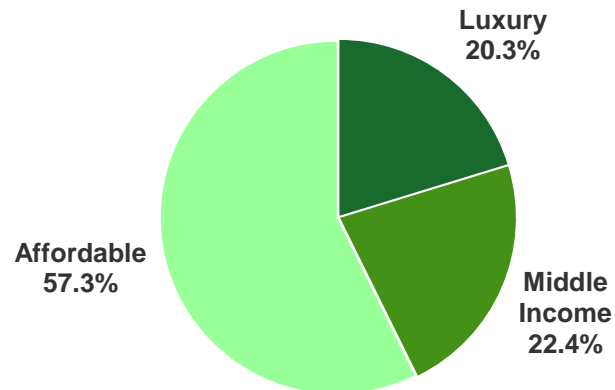
Q3 2013 By Product: Php6.0B Total



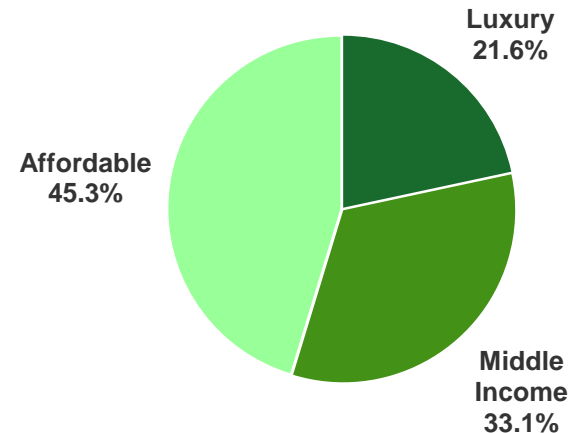
Q3 2012 By Product: Php5.6B Total



YTD Sep. 2013 By Product: Php18.1 B Total



YTD Sep. 2012 By Product: Php16.3B Total



Note: Luxury, Middle Income and Affordable markets are defined wherein majority of the units' total contract price is over P7M, between P3.5M to P7M and between P2M to P3.5M respectively.

# EXPANDING CPG FOOTPRINT



San Fernando, Pampanga

Novaliches, Quezon City

Commonwealth, Quezon City

Acqua, Mandaluyong City

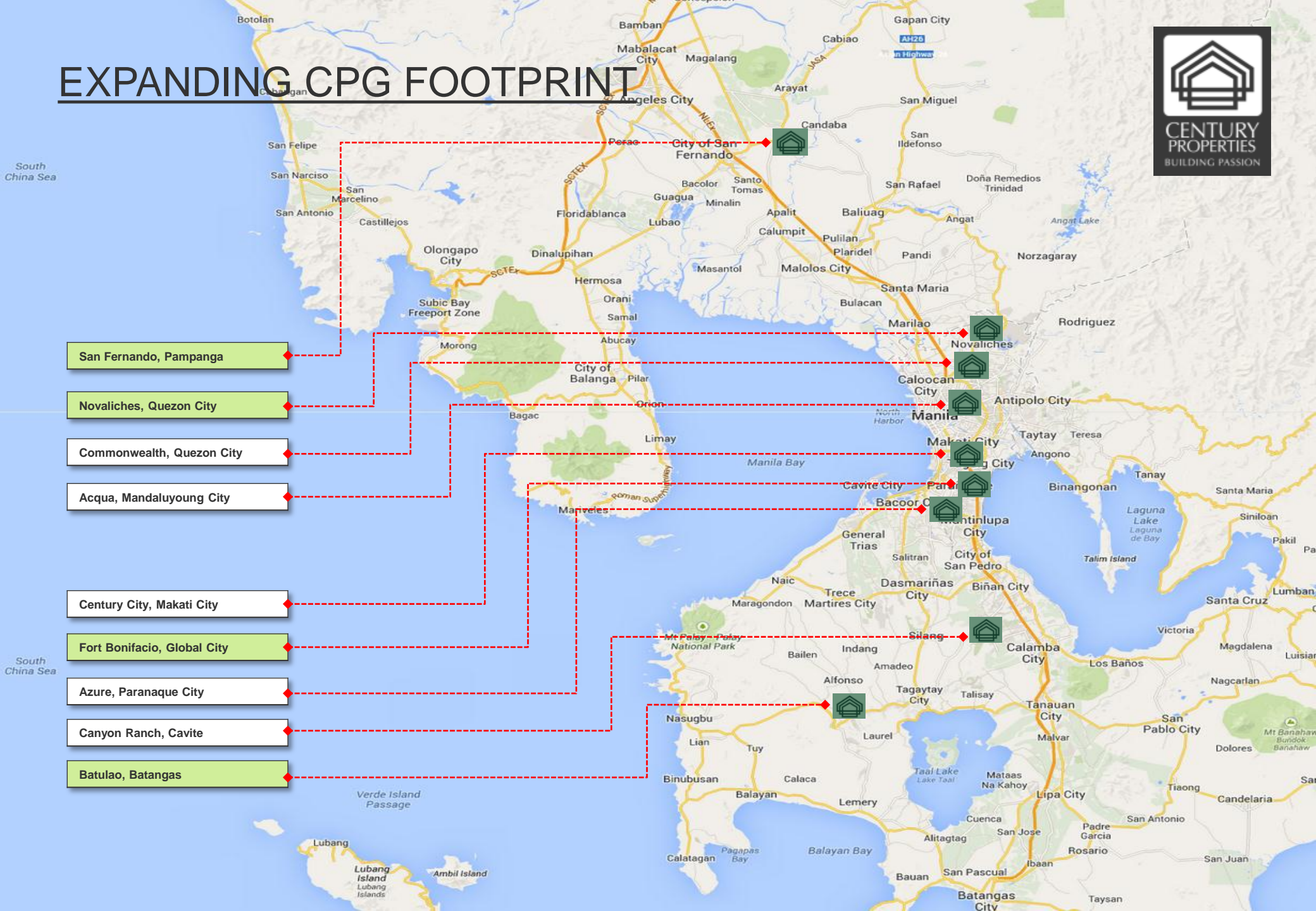
Century City, Makati City

Fort Bonifacio, Global City

Azure, Paranaque City

Canyon Ranch, Cavite

Batulao, Batangas



# PREMIUM MARKET LEADER THROUGH DESIGN AND BRANDING



**azure**  
URBAN RESORT RESIDENCES  
+ Paris Hilton

THE  
**MILANO**  
RESIDENCES  
INTERIOR DESIGN BY  
**VERSACE**  
HOME

**acqua iguazu**  
**yoo**  
Inspired by  
*STARCK*

**ACQUA**  
LIVINGSTONE  
INTERIOR DESIGN BY  
**MISSONI** HOME

**TRUMP**  
**TOWER**<sup>®</sup>  
AT CENTURY CITY  
MAKATI, PHILIPPINES

**Forbes**

 **ARMANI / CASA**



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WHERE WE ARE NOW



# PERFORMANCE RESULTS OVERVIEW



## Q3 2013 Financial Results

PHP (Million)	Q3 2013	Q3 2012	Change from Prev. Year	Q2 2013	Change from Prev. Quarter
<b>Total Revenues</b>	<b>2,792</b>	2,286	22.1%	2,694	3.6%
<b>Net Income</b>	<b>530</b>	467	13.4%	555	-4.6%
<b>Gross Profit Margin from Real Estate Development <sup>(1)</sup></b>	<b>45.0%</b>	43.9%		47.3%	
<b>Net Income Margin</b>	<b>19.0%</b>	20.4%		20.6%	
<b>ROE</b>	<b>21.7%</b>	30.7%		23.2%	
<b>ROA</b>	<b>9.6%</b>	13.7%		10.7%	
<b>Net Debt / Equity</b>	<b>32.6%</b>	20.4%		19.5%	

(1) With Interest Accretion

# PERFORMANCE RESULTS OVERVIEW



## YTD September 2013 Financial Results

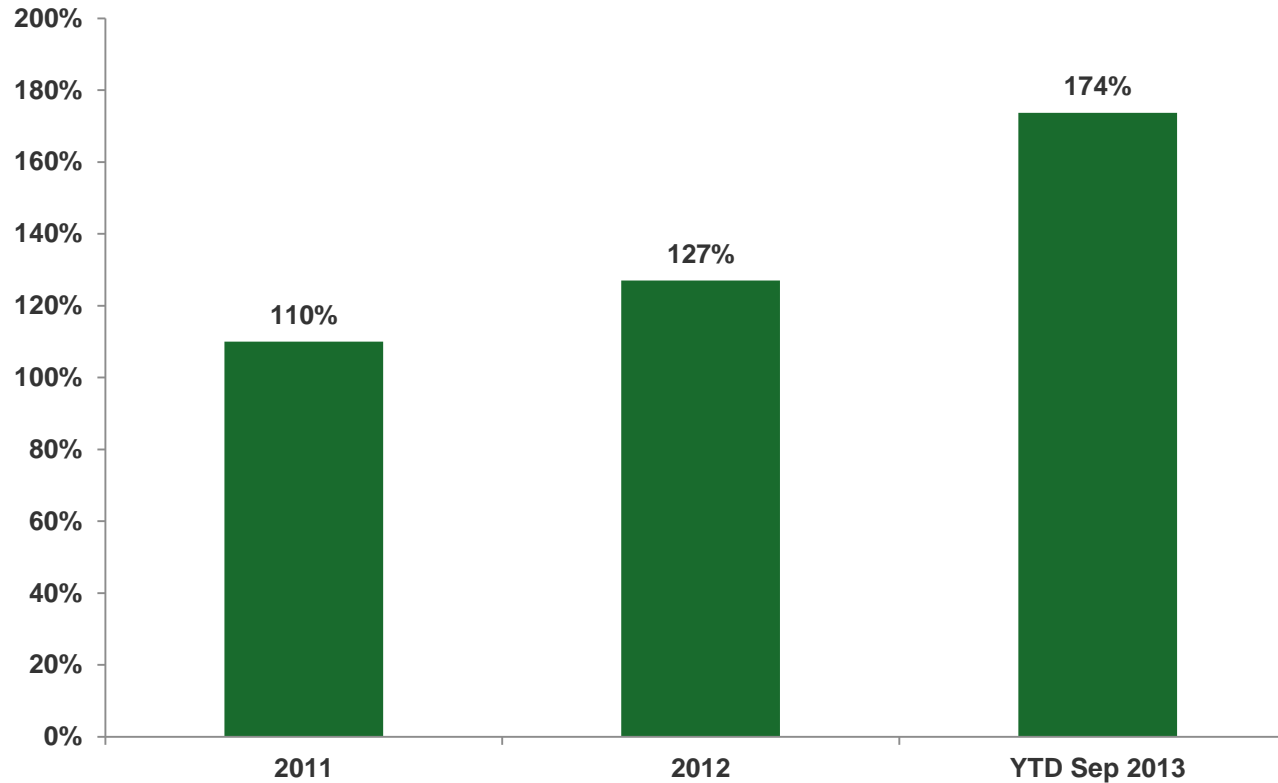
PHP (Million)	YTD SEP 2013	YTD SEP 2012	Change from Prev. Year
Total Revenues	8,083	7,223	11.9%
Net Income	1,586	1,412	12.3%
Gross Profit Margin from Real Estate Development <sup>(1)</sup>	3,365	2,927	
Net Income Margin	19.6%	19.5%	
ROE	21.7%	30.9%	
ROA	9.5%	13.8%	
Net Debt / Equity	32.6%	20.4%	

(1) With Interest Accretion

# PRUDENT PRODUCT LAUNCHES LEADING TO HEALTHY GROWTH PROSPECTS



## Pre-Sales as Percent of New Launches



Ensuring visibility on earnings with P29.6 B of un-booked revenue, while at the same time launching projects in a staggered manner to prevent build-up of inventory

# HIGH COLLECTIBILITY ACROSS ALL SEGMENTS

Attracting credit worthy buyers has been CPG's thrust

CPG requires significant equity commitment prior to turnover

- Developer: Less bridge financing needed, with higher chances of collectability at turnover evidenced by high percent of cash payments, and no in house accounts
- Buyer: Higher chances of approval for mortgage financing at turnover
- Mortgage Bank: Lower chances of defaulting on mortgage given higher built up equity, with equity cushion under an unlikely default scenario

	AVERAGE PSM (SOLD)*	CONSTRUCTION PERIOD	TURNOVER PERIOD
		EQUITY COLLECTED	CASH VS MORTGAGE VS IN HOUSE
Affordable	113,403	~25%	40% / 60% / 0%
Middle Income	164,586	~35%	57% / 43% / 0%
Luxury	219,802	~40%	NA

Default rate as of September 2013 is 2.5%\*\*

\*As of September 2013

\*\* Based on total accounts receivables

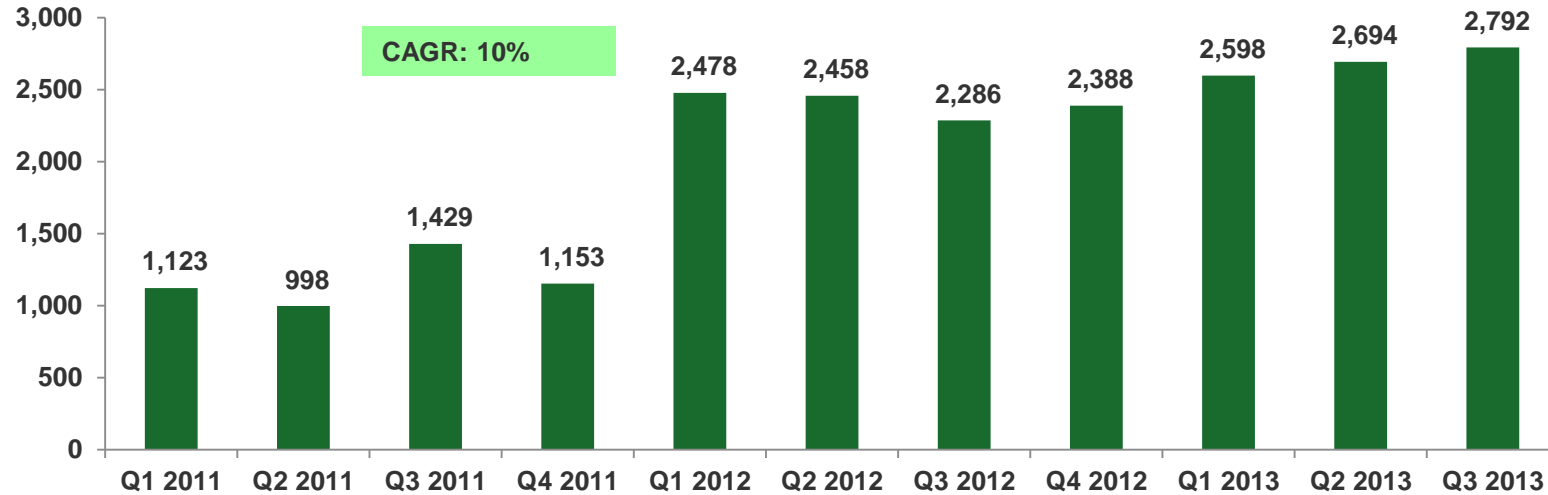


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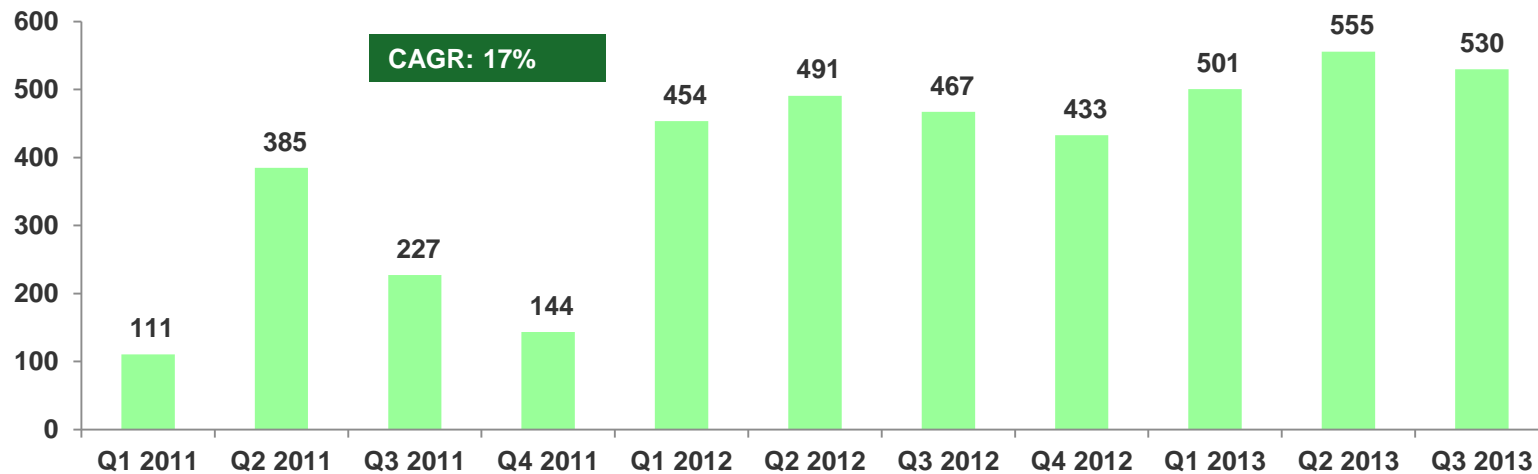
FINANCIAL PERFORMANCE  
AND CAPITAL MANAGEMENT

# RECORD EARNINGS

Total revenues (Php Million)

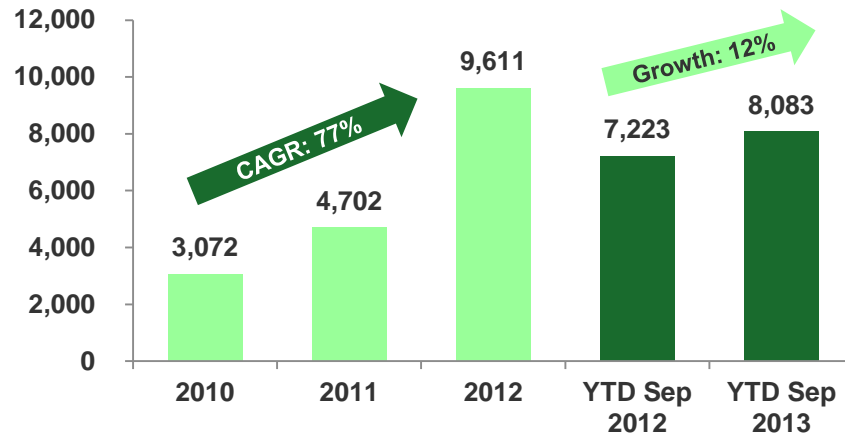


Profit After Tax (Php Million)

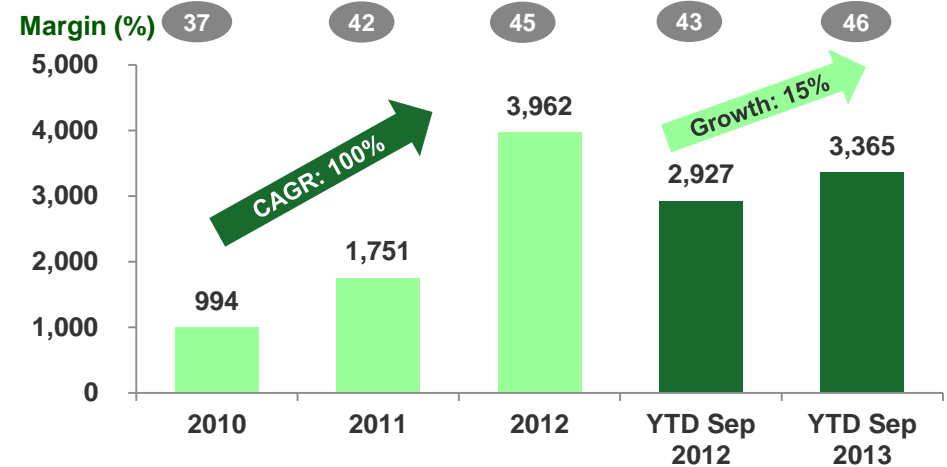


# RECORD EARNINGS

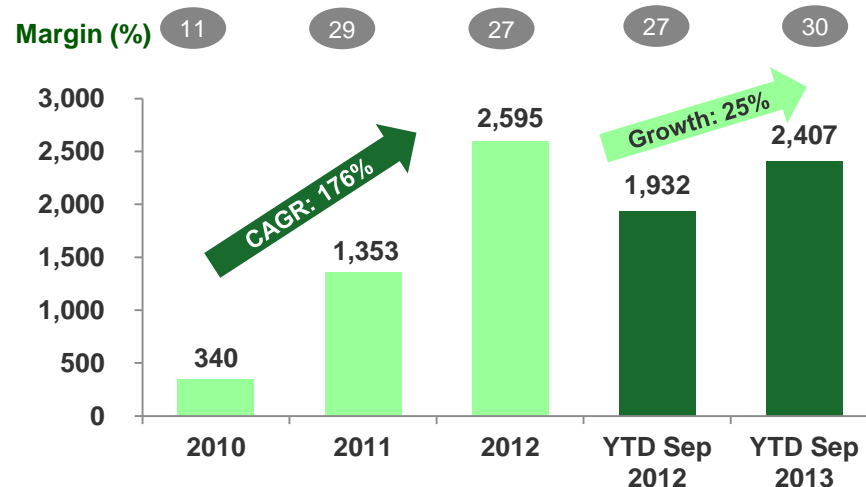
**Total revenues (Php Million)**



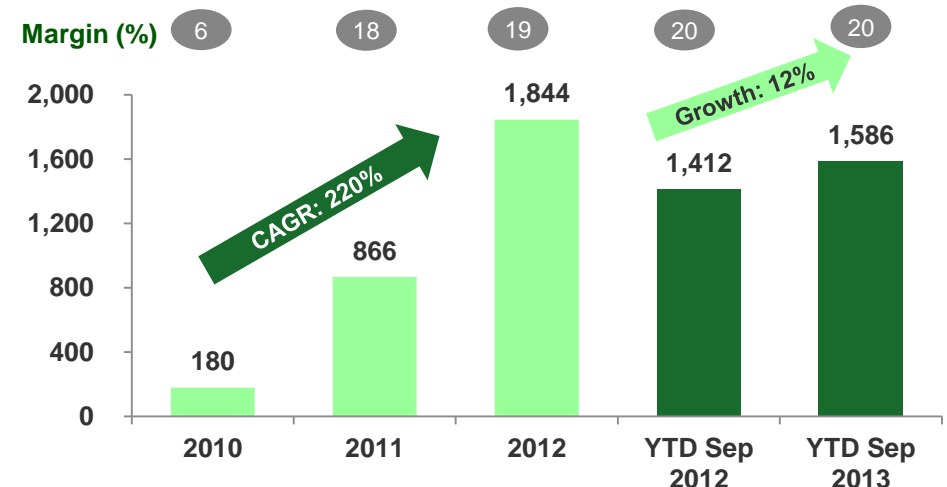
**Gross profit from real estate sales <sup>(1)</sup> (Php Million)**



**EBITDA (Php Million)**



**Net Income (Php Million)**

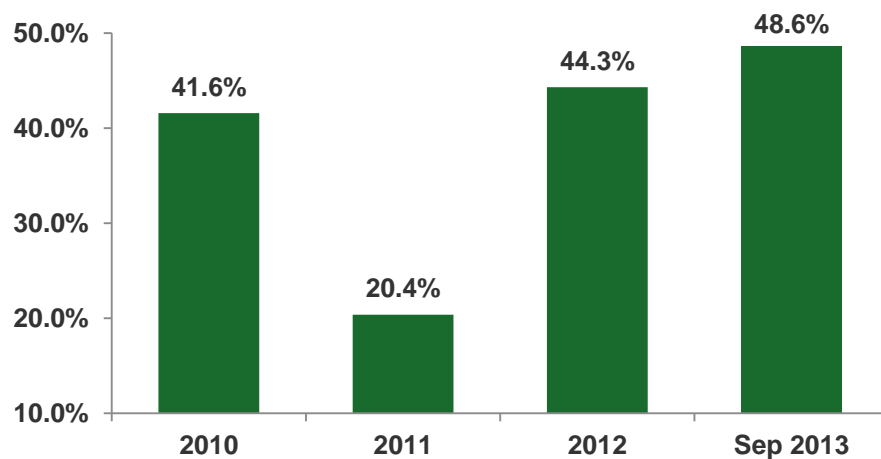


(1) With Interest Accretion

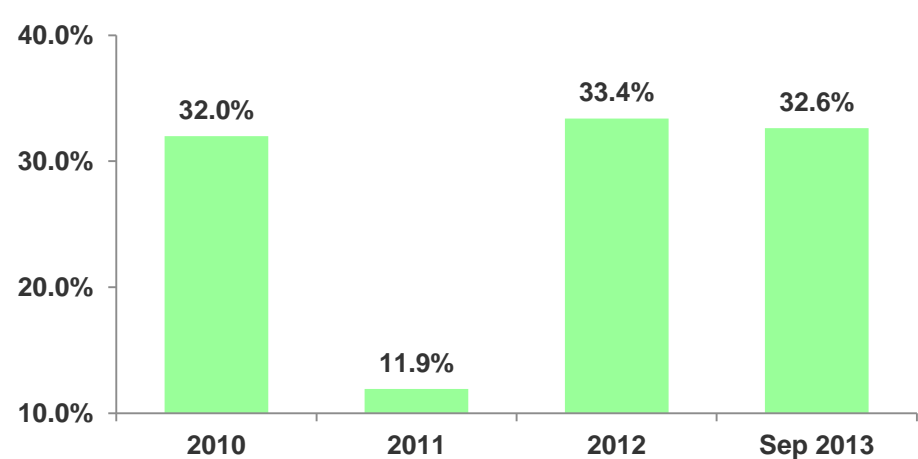
# HEALTHY BALANCE SHEET

Amount in Php Million	Audited 31-Dec-10	Audited 31-Dec-11	Audited 31-Dec-12	Unaudited 30-Sep-13
Cash and Cash Equivalents	283	367	902	1,788
Total Assets	7,555	10,029	18,579	25,725
Total Borrowings	1,226	883	3,661	5,451
Net Debt	943	516	2,759	3,663
Stockholder's Equity	2,950	4,332	8,266	11,225

Debt-to-Equity Ratio



Net Debt-to-Equity Ratio



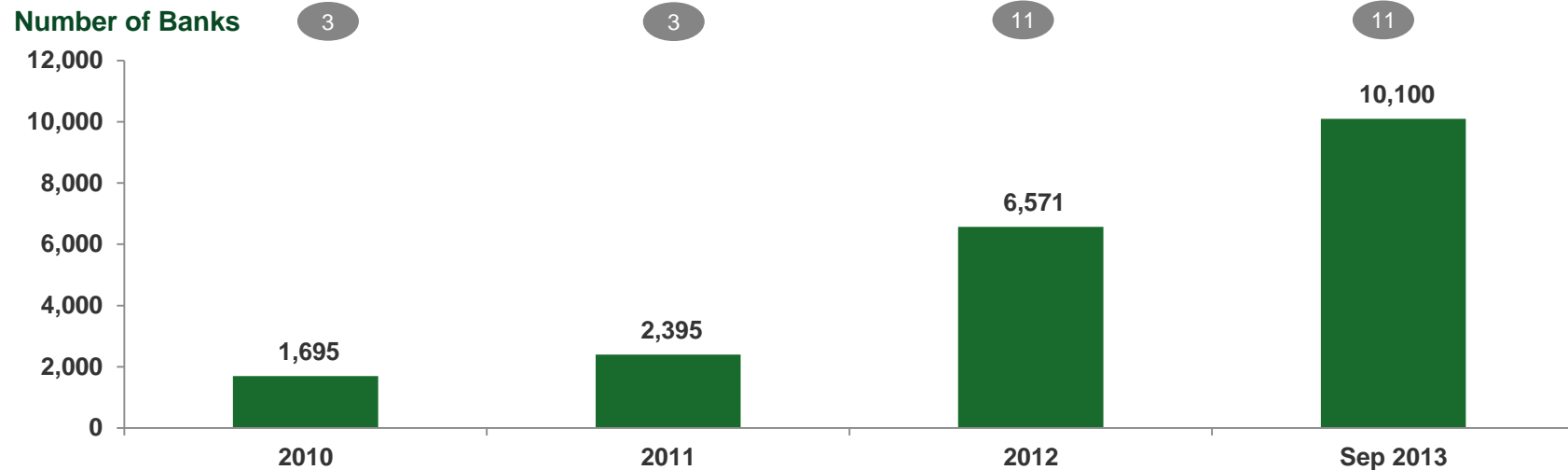


# BROAD-BASED SUPPORT FROM CPG'S CREDITORS

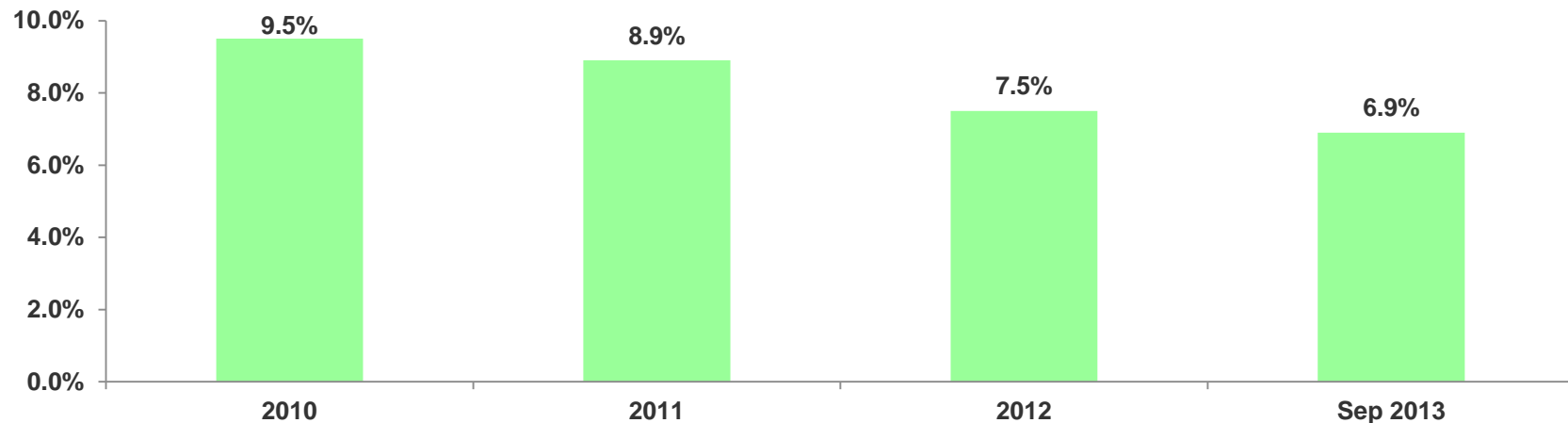


*All project level loans amortizing co-terminus with completion*

## Approved Credit Facilities as of Nov. 2013 (Php Million)



## Cost of Debt as of Nov. 2013

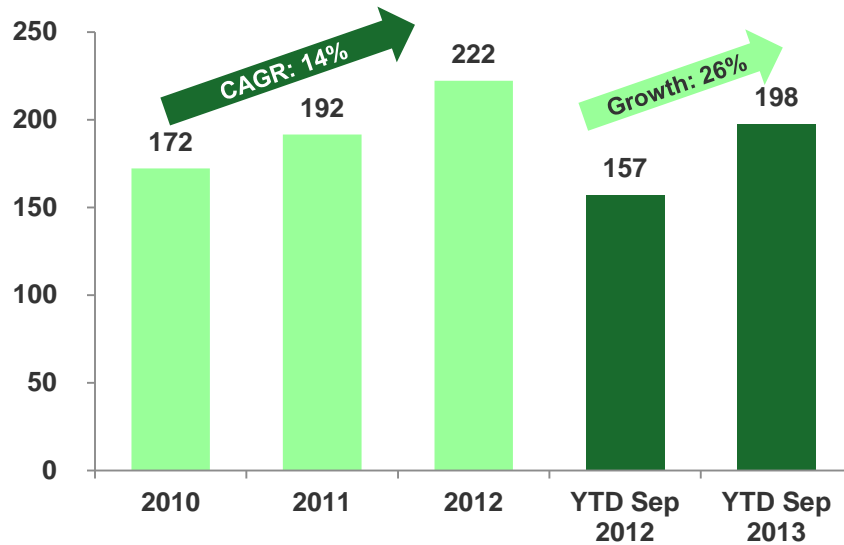


**1<sup>st</sup> drawdown from SCB syndicated term loan of P1.8 B in July 2013**

# GROWING REVENUES FROM PROPERTY MANAGEMENT



Total Revenues from Property Management (Php Million)



Largest Independent Property Manager with 46 Buildings  
Totaling 2.4M sqm under Management

As of Nov. 2013	No. of projects	GFA ('000 sqm)
Residential	19	1,209
Commercial	27	1,250
<b>Total</b>	<b>46</b>	<b>2,459</b>

Notable Projects Under Management, with 80%  
of contracts with 3<sup>rd</sup> parties

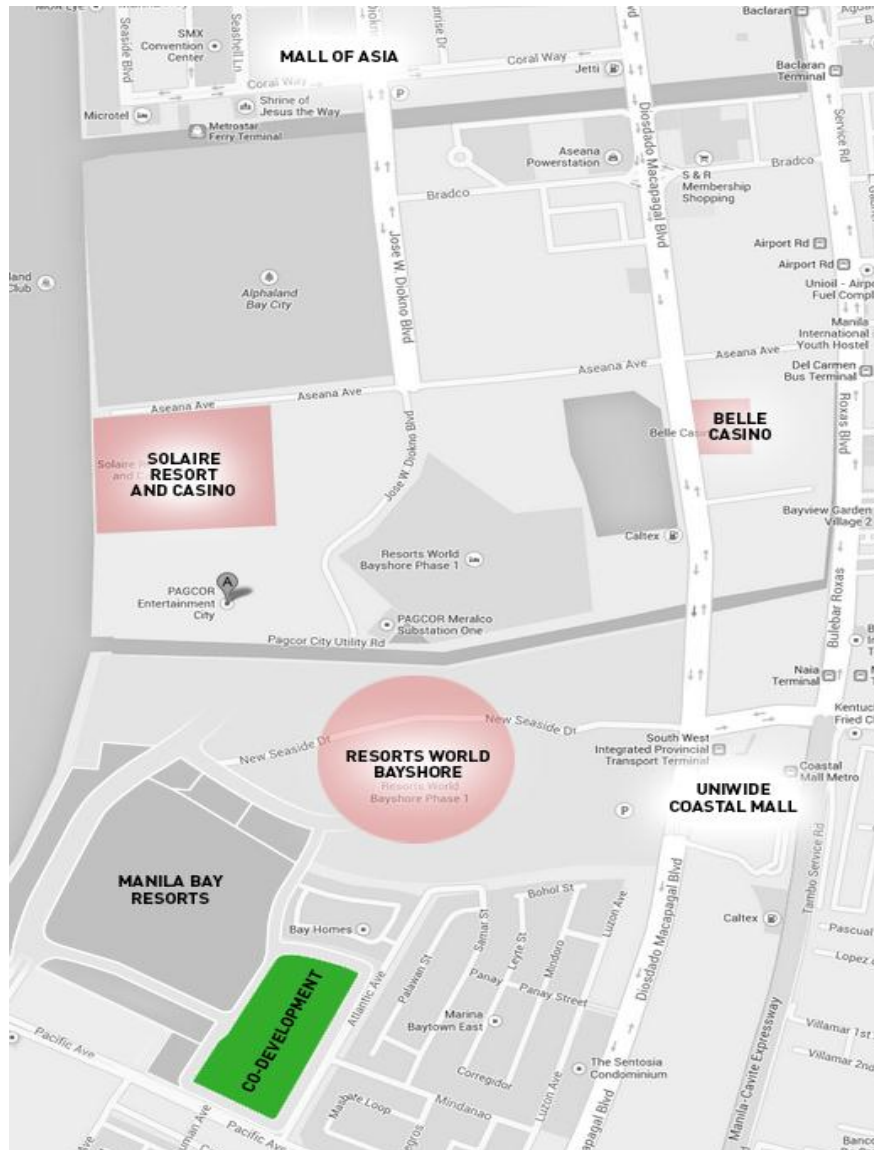
- Asian Development Bank
- Makati Medical Center
- Pacific Star Building
- Globe Telecom Plaza (Cebu, Mandaluyong, Makati)
- PNB Building
- BPI Buendia Center
- One San Miguel Avenue



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WHERE WE ARE GOING

# MANILA BAY RESORTS

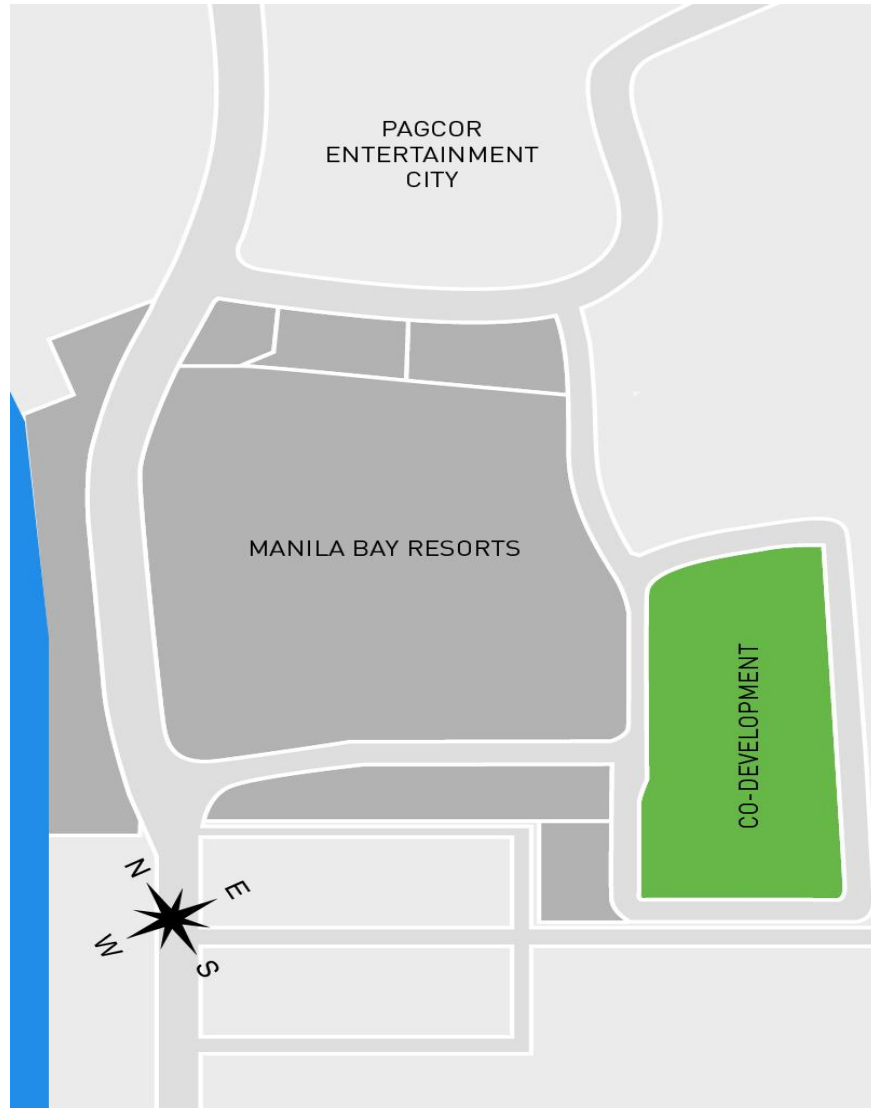


## Key Terms of Investment Agreement with Okada

### Preferred Share Investment

- CPG will invest in 432,000,000 voting preferred shares representing 36% of Eagle I Landholdings
- Eagle I is the registered owner of 30.5 has. and has the right to use an additional 10 has. located within the PAGCOR Entertainment City, the “Manila Bay Resorts” project of Tiger Resort, Leisure and Entertainment, Inc.
- Tiger has been granted one of the four provisional licenses by PAGCOR to operate gaming and casino within PAGCOR Entertainment City
- CPG will be entitled to a dividend rate of 8% for the first two years, and a coupon rate of 4% on the succeeding three years
- No gaming revenue
- Closing shall be subject to fulfillment of condition precedents

# MANILA BAY RESORTS



## Key Terms of Investment Agreement with Okada

### 5 Hectare Co-Development

- This will include luxury residential and retail properties that will total over 300,000 sqm of GFA
- Only freehold within PAGCOR Entertainment City

# CENTURY SPIRE BUILDING PERSPECTIVE AND SITE DEVELOPMENT PLAN



# CENTURY SPIRE PROJECT DETAILS



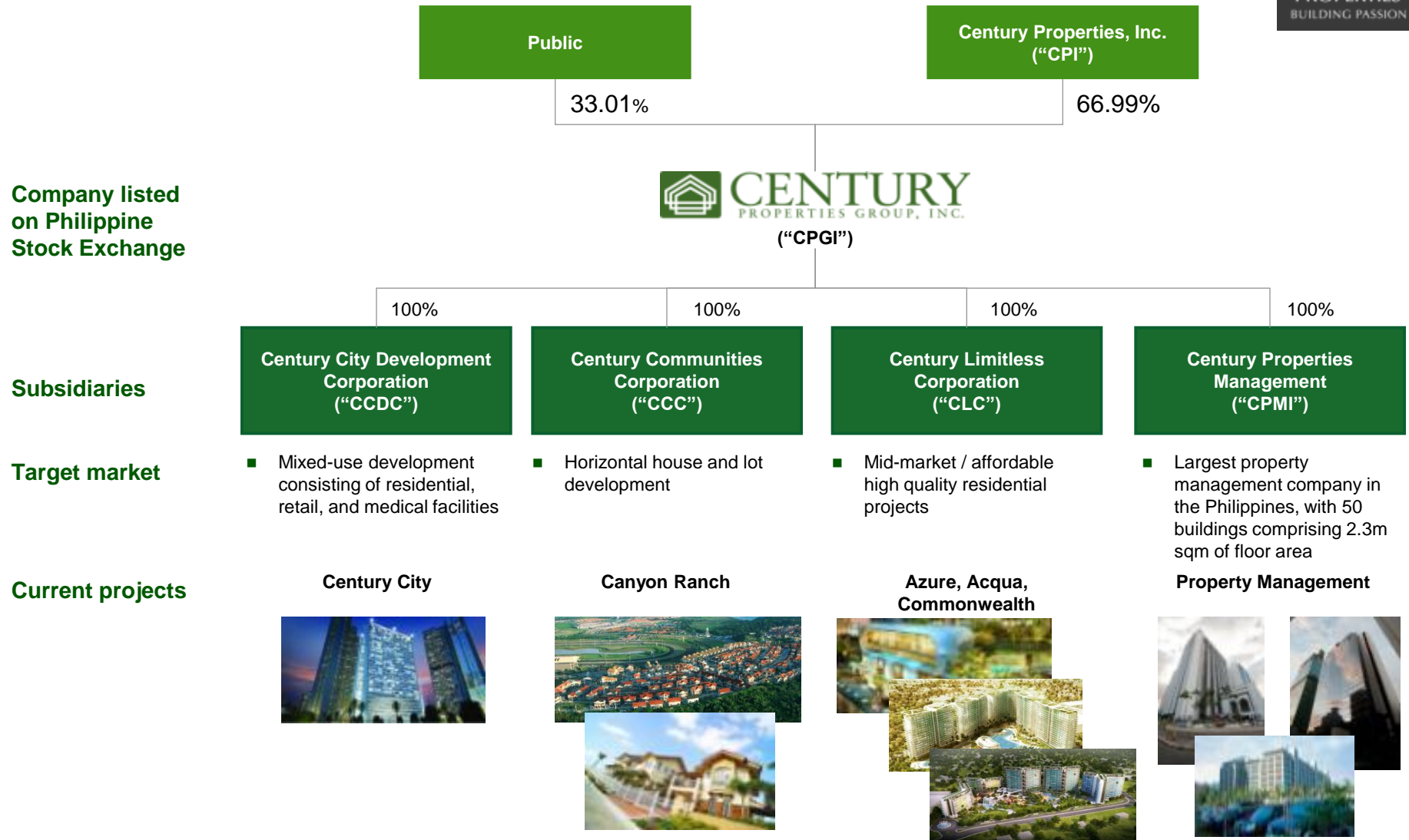
Project	Century Spire
Product Offering	Mixed-used Luxury Residential and Office
Interior Design (common area)	Armani/Casa
Foreign Architect	Studio Daniel Libeskind
Local Architect	Gabriel Formoso & Partners
Planned GFA (excluding parking)	69,571 sqm
Of which: Office GFA	23,202 sqm
Residential GFA	34,052 sqm
Number of floors	58 + 6 basement floors
Launch and Turnover Dates	Sept 2013 / Dec 2018

A photograph of a modern rooftop terrace. In the foreground, there are several lounge chairs with white covers. A curved swimming pool is in the middle ground, reflecting the sky and the surrounding architecture. The terrace is bordered by a glass railing. In the background, a dense city skyline with various skyscrapers is visible under a clear blue sky. The overall scene is bright and sunny.

# ANNEX 1: OVERVIEW OF THE COMPANY AND KEY INVESTMENT HIGHLIGHTS

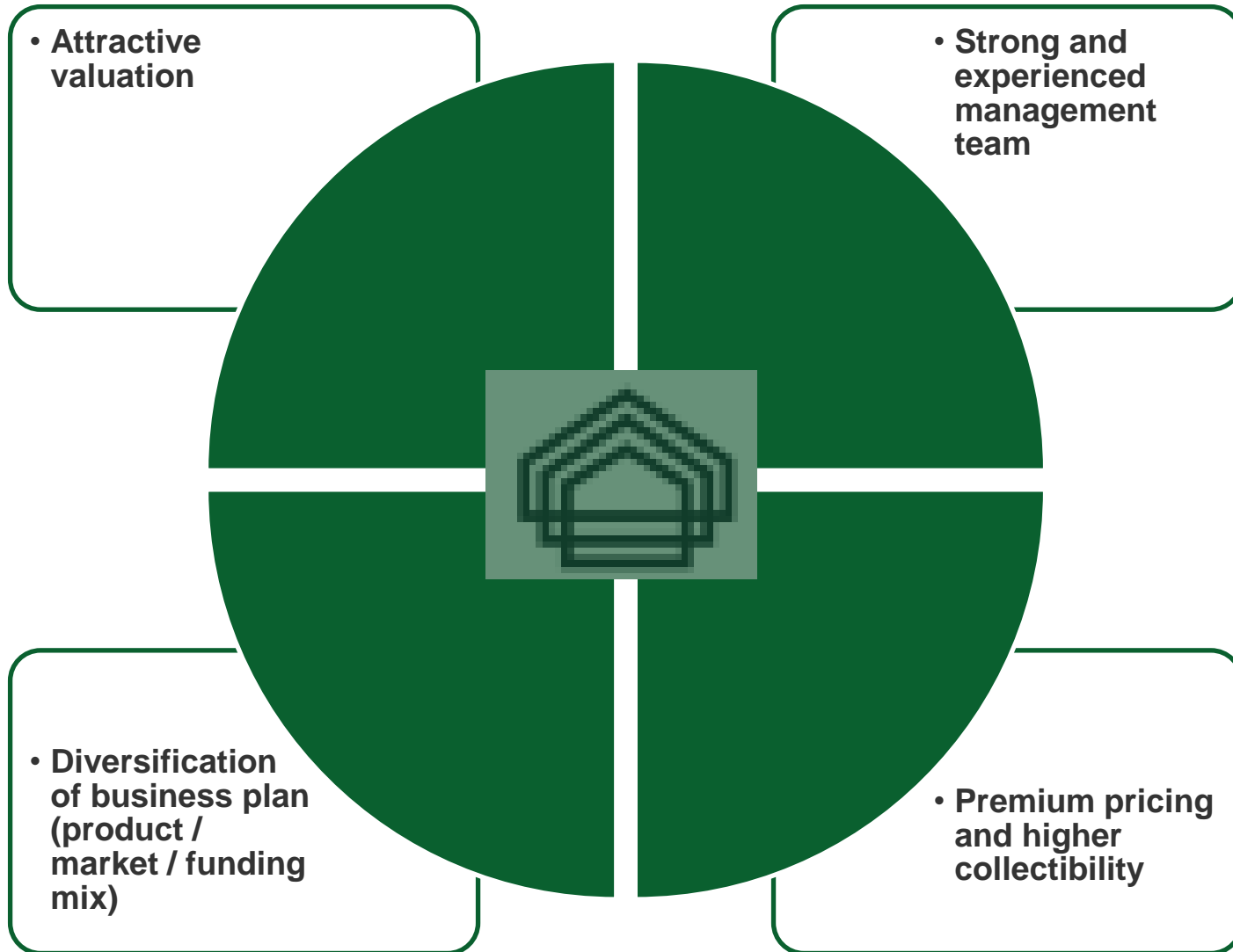


# CORPORATE STRUCTURE (1)



(1) Pro forma for 800,000,000 shares from the Placement and Subscription Offering conducted in March 2013 and Treasury shares buyback in January, June and August 2013

# KEY INVESTMENT HIGHLIGHTS



# STRONG AND EXPERIENCED MANAGEMENT TEAM WITH LONG-TERM COMMITMENT



- Highly experienced management team with strong commitment while expanding management team
- Proven track record of developing pioneering projects in the industry and highest product quality

## CEO / CHAIRMAN



Jose E. B. Antonio

## DIRECTORS



Mr. Ricardo Cuerva



Mr. Rafael Yaptinchay



John Antonio



Marco Antonio



Robbie Antonio



Carlo Antonio

## BUSINESS UNIT HEADS



Erickson Manzano  
Residential Business



Rhoel Albert Nolido  
Residential Business



Gerry Ilagan  
HR, Sales Management  
& Century World Services



Atty. Domie Eduvane  
Legal and Corporate Affairs



Ma Theresa Yu  
Corporate Communications



Kristina Garcia  
Investor Relations

# DIVERSIFICATION OF BUSINESS PLAN

Near- to mid-term expansion of recurring income portfolio by venturing into new products and increasing market [reach] and presence in new locations

	<b>Beginnings 1st Stage Growth</b>	<b>Today 2<sup>nd</sup> Stage Growth</b>
Time Period	1986 to 2010 (25 years)	2011* to 2018 (8 years)
# of Projects	20 buildings	26 buildings
GFA (sqm)	548,262 sqm	1,070,065 sqm
# of Units	4,128 units	13,898 units
Target Markets	2 Residential Markets (luxury and middle income)	3 Residential Markets (luxury, middle income and affordable) Retail and Office Leasing
Project sites	4	9
International Sales Component	~50%	72%
Public Equity Capital Raised	NA	P5.6B
Project Level Credit Capacity	P1.7B	P10.1B

\* Denotes year of being public

# PREMIUM PRICING AND HIGHER COLLECTIBILITY

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- Buyer: Higher chances of approval for mortgage financing at turnover
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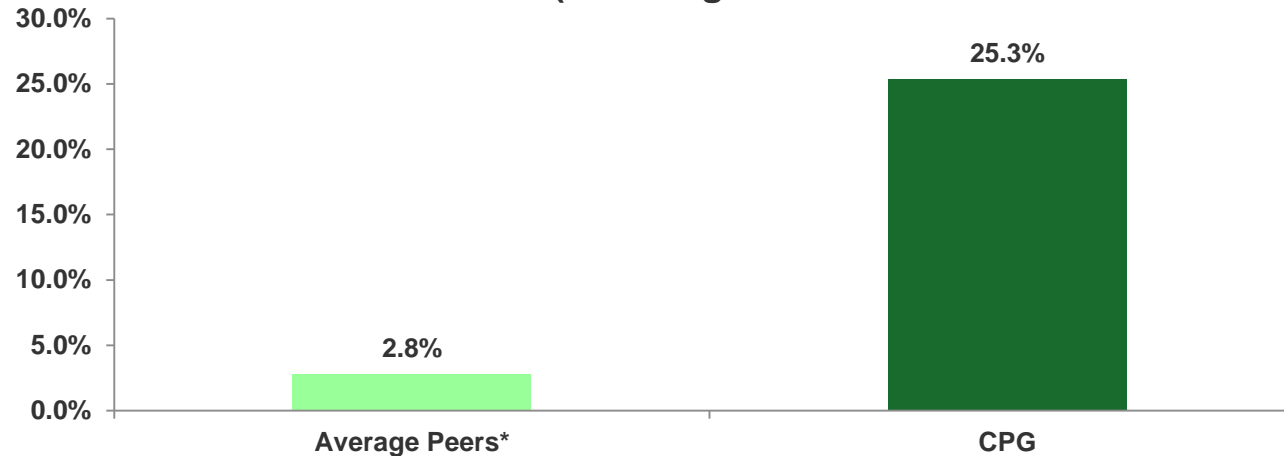
Default rate as of September 2013 is 2.5% of Accounts Receivable

\*As of September 2013

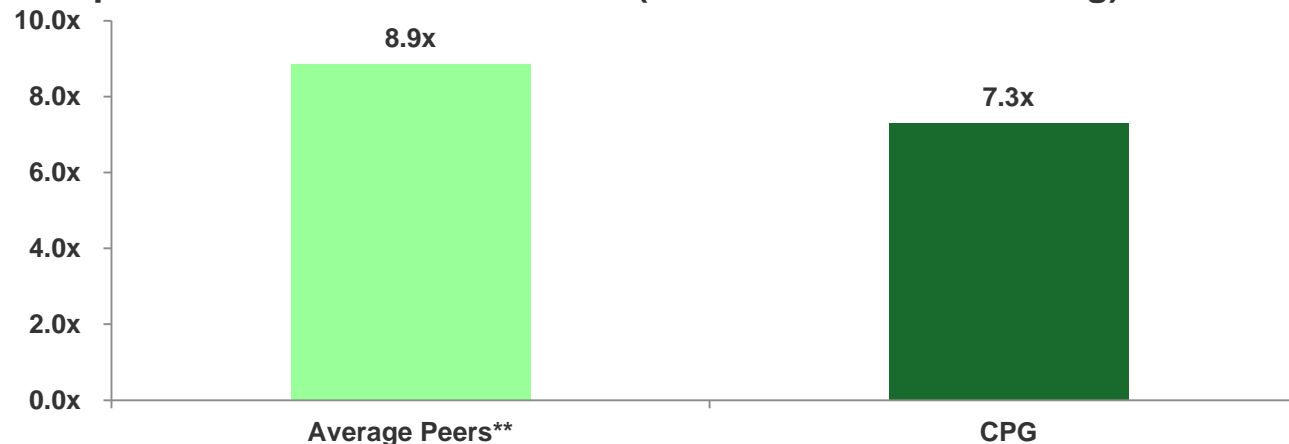
# ATTRACTIVE VALUATION

CPG's share price is the 2<sup>nd</sup> biggest gainer in property sector YTD, but valuation in terms of forward P/E is still the lowest at 7.3x

YTD Share Price Performance (% Change from 2 Jan. 2013 to 14 Nov. 2013)



Comparable Forward P/E 2014 Est. (as of 14 Nov. 2013 closing)



\*Includes FLI, MEG, ROCK, VLL

\*\*Includes FLI, MEG, VLL; ROCK's earnings estimate is not available

Source: Technistock, PSE



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ANNEX 2: CONSTRUCTION AND COMPLETION UPDATES

# CENTURY CITY MALL



## Century City Mall construction on schedule for completion



The mall's exterior is completed and is being installed with lighting fixtures.

Century City Mall's rear perspective taken from Centuria Medical Makati





# CENTURY CITY MALL



Common areas inside the mall have completed finishing works.



The building's escalators, such as this one along the Kalayaan Avenue main entrance, are fully installed.

# CENTURIA MEDICAL MAKATI



**Centuria Medical Makati completes structural phase and continues interior activities towards the end of the year**



**Centuria Medical Makati reached structural completion in September.**



**The roofdeck level of Centuria on the 28<sup>th</sup> level**



**Century Properties and Hi Precision Diagnostics Officials at the Centuria Medical Makati topping off ceremony.**

# MILANO RESIDENCES

The Milano Residences commences formworks on the 31st floor



The Milano Residences rises to 31 floors, next to Knightsbridge Residences on the right.



The view from Gramercy reveals a very busy Milano Residences.

# KNIGHTSBRIDGE RESIDENCES



The Knightsbridge Residences prepares for turnover to residents next month



The Knightsbridge lobby takes shape as it continues fitting-out activities in November.



Waterproofing works for the Knightsbridge swimming pool are in-progress.

# ACQUA PRIVATE RESIDENCES

Interior works for Niagara progress, structural works for towers 2 to 4 continue



Niagara (left): finishing, Sutherland (right): 26<sup>th</sup> floor



Structural frame of Niagara's crown

# ACQUA PRIVATE RESIDENCES



Sutherland: northwest elevation



Niagara: Installation of balcony railings and windows

Livingstone: structural works for parking levels



Dettifoss: column bar and shearwall installation

# THE RESIDENCES AT COMMONWEALTH

**Commonwealth by Century's first tower reaches structural completion while second and third towers undergo foundation works**



The Osmeña West Tower on the right completed its structural phase and moved on to interior roughing-in activities. The Quezon North tower on the left is currently in basement level foundation works.

A close look at the facade of The Residences at Commonwealth's first tower, Osmeña West, facing Don Antonio Drive (Amsterdam Avenue).



# THE RESIDENCES AT COMMONWEALTH



Quezon North's structural activities seen from within the Commonwealth by Century property

Substructure works and concrete pouring for column footings at the site of the third tower, Osmeña East





# AZURE URBAN RESORT RESIDENCES

Paris Beach club, man-made beach, amenities to open soon at Azure



Paris Beach Club's exterior is almost complete with roofing works underway



Paris Beach Club's entrance is adorned with plants growing from its wall

# AZURE URBAN RESORT RESIDENCES



Paris Beach Club's Candy Bar



Paris Beach Club's Fitness Center



Paris Beach Club's 3<sup>rd</sup> and topmost floor for restaurant and social function area

# AZURE URBAN RESORT RESIDENCES



The water from the Azure lap pool will cascade to the 3,500 meter man-made beach.



Tiling works have finished at the Azure beach. Beach sand laying is in-progress.

# AZURE URBAN RESORT RESIDENCES



Azure's 3<sup>rd</sup> tower, St. Tropez in its finishing stages



The Rio & Santorini towers seen from the Azure Beach

# AZURE URBAN RESORT RESIDENCES



Positano (right) and Miami (left) are each on the 14<sup>th</sup> level of structural works



Site clearing works in full swing for Azure's 8<sup>th</sup> tower, Maldives



Boracay Tower undergoing formworks for its 4<sup>th</sup> basement level



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Q & A